

PSC OPENS CASE TO CONTINUE Y2K EVALUATION

Jefferson City (August 19, 1998)---“It is clear that the first order of business is avoiding any interruption in utility service to Missouri ratepayers as we enter the new millennium,” stated Missouri Public Service Commission Chair Sheila Lumpe. As a result, the Commission has established a case to further evaluate utility company efforts to address the year 2000 (Y2K) issue. The issue involves computer systems capable of handling dates in the next century (dates that include the year 2000).

Numerous recent reports, including one study just released by the U.S. Senate Special Committee on the Year 2000 and another undertaken by the National Research Institute, show some utility companies lagging behind in their preparedness for the change in millennia.

In February 1998, the Commission initially addressed the Y2K issue when it surveyed all regulated utilities in Missouri to receive information on how those companies were preparing for the year 2000 (Y2K). The Commission is keeping in contact with those utilities in order to continue to evaluate their progress.

Now the Commission has determined that the focus “must change from technical compliance to actual business readiness.” This case has been opened to “ensure that the utility industry remains ready to serve Missouri’s ratepayers into the next century.” It will also examine the preparedness of municipalities, cooperatives and all other utility entities which come under the jurisdiction of the Commission for the purpose of safety.

As part of the Commission’s order establishing this case, the Commission has directed all utility companies in Missouri to complete a detailed survey on Y2K issues and submit that information by September 17, 1998.

Top priorities by utility companies should include the following activities: conversion and testing of all, not just “critical” systems; assessing Y2K compliance of all external contractors, vendors and other business partners; assessing and acting upon all other supply chain issues; and development of contingency plans.

(More)

The Commission noted in its order establishing the Y2K case: “The failure to deal with the Y2K problem in a timely manner may mean that the costs to correct this problem become unreasonably high when the issue must be dealt with, and corrected, on an emergency basis. The Commission must ensure that if any such inefficiencies occur, they are not passed on to Missouri’s ratepayers.”

An illustration of the potential magnitude of the Y2K problem: a five minute telephone call placed just before midnight on December 31, 1999, may be billed as a million-minute call, lasting from 1900 to 1999 because of software inability to distinguish between the year 1900 and the year 2000.

---0---

Case No. 00-99-43